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JOINT COMMUNIQUE OF THE Xth SUMMIT OF THE HEADS OF STATE AND GOVERNMENT OF THE GROUP OF 15

Note by the UNCTAD secretariat

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X SUMMIT OF THE HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN
Cairo, Egypt
19-20 June 2000

JOINT COMMUNIQUÉ

1. We, the Heads of State and Government of the Group of Fifteen, meeting in Cairo, Egypt, on 19 and 20 June 2000 for our Tenth Summit, jointly reviewed global developments at the beginning of the XXI Century and prospects for the South. Guided by a culture of peace and development cooperation, we are determined to create a better future for our countries and peoples and to work towards the establishment of a fair international economic system based on justice and democracy. Within this context and taking into account the outcomes of major international and regional conferences held in the nineties as well as the first months of the Millennium, particularly the South Summit, UNCTAD X, the Non-Aligned Ministerial Conference and the G-24 Meeting, we undertook an appraisal of the work done by the Group since its establishment in 1989. The Millennium Summit in New York in September 2000 should influence the framework and content of international cooperation to take into account concerns of developing countries.

2. The G-15 was born at a time of growing optimism in international relations. The end of the Cold War reduced longstanding political hostilities and raised expectations for genuine cooperation within the community of nations. There was renewed hope for integrating many developing countries into the world economy, and the promise of growth and significant reductions in poverty levels, after the lost years of the 1980s. Rapid technological changes and more open markets were leading to new ways of organising global business with the prospect of greater opportunities for producers from the developing world. The belief was widespread that a new international architecture could be designed to meet the challenges of this more closely integrated world.

3. Today, as we celebrate the Tenth Anniversary of the Group of Fifteen, our desire is renewed to see a more harmonious and prosperous world economy in which the developing countries overcome the challenges and seize the opportunities created by globalization. Since the early nineties, the phenomenon of globalizing economic activities has led to increased interdependence around the globe, affecting virtually every domain of human activity. At the outset, it was our conviction that globalization would lead to the securing of better standards of living and the realization of the development objectives of our peoples, thus spreading prosperity all over the world. This has not materialized, and we are convinced that it will not until the international community redresses the asymmetries and imbalances in the global economy.

4. We remain concerned with the pattern of international economic relations. Growth in the developing world slowed from an average of 6 % to almost 2% in 1998, and for the first time in ten years was lower than that of developed countries. The instability of the international financial system requires urgent remedial measures.

5. Integrating developing countries into the world economy will result in increased market size, competition and opportunities for technology transfer to these countries. Gains arising from the ongoing liberalization process will benefit both developing and developed countries. However, to ensure such benefits for developing countries, the multilateral trading system should operate in a manner that is open, equitable, rule-based and non-discriminatory. It must take into account the development dimension in multilateral trade negotiations. There is need to strengthen such instruments as Special and Differential Treatment provisions and to make them operational so as to promote the interests of developing countries. Special attention should be given to addressing the problems faced by developing countries in the implementation of their WTO obligations. We note the negotiations on accession in the WTO, and the agreement to review progress. In light of our commitment to the early accession of developing countries, we agree that their terms of accession should be in accordance with the WTO Agreements, including the Special and Differential Treatment provisions.

6. The growing protectionist tendencies in the industrial countries manifested, inter alia, by attempts to introduce non-trade issues in multilateral trade negotiations and the application of non-tariff barriers, antidumping duties and anti-subsidy investigations need to be checked. We express our satisfaction with the initiation of the mandated negotiations in the Built-In Agenda. In agriculture, the objective should be to incorporate the sector within normal WTO rules, taking into account the need of developing countries for food security, particularly the net food importing and the least developed among them. Within the framework of the GATS, particular effort should be made to liberalize sectors and modes of supply of interest to developing countries. While the capital markets have been liberalised, including in developing countries, there has hardly been any progress in the opening of labour markets in developed nations. In this regard, we urge that there should be a freer movement of natural persons, an area in the provision of services in which developing countries have a comparative advantage in the global economy.

7. We attach high priority to full and effective implementation of the WTO Agreements in a manner consistent with the goal of trade liberalization. We express concern at unilateral trade measures being resorted to on grounds of environmental protection. Non-trade issues such as labour standards, proposed by some developed countries, shall not be introduced in, or linked to the WTO Agenda. We reject all attempts to use such issues as disguised forms of protectionism and as conditions for restricting market access, aid and/or technology flows to developing countries. We express our concern on the deterioration of preferential schemes, especially the imposition of new conditionalities, such as labour and environmental standards, on developing countries in the Generalized System of Preferences (GSP).

8. The Tenth Session of the United Nations Conference on Trade and Development, (UNCTAD X), held in Bangkok in February, underscored the importance of integrated development strategies in an increasingly interdependent world. We emphasise the important role of UNCTAD in assisting developing countries in capacity building and in ensuring that future trade negotiations take fully into account the development dimension. An important challenge for the international community is to secure the integration of all developing countries into the rapidly changing world economy and to reduce the risk of their marginalization particularily in the case of least developed countries and small economies.

9. Since our Seventh Summit in Kuala Lumpur we have been reviewing the effects of the financial crisis in East and South East Asia, while witnessing the continuing absence of effective measures at the global level for dealing with that financial instability caused by short term capital flows, hedge funds, and highly leveraged financial institutions. We stress the need for maintaining strong national and international monetary and financial systems. The widespread turbulence in the financial markets of emerging economies and the resulting contagion made clear the need to strengthen the architecture of the international financial system. Crisis predictability, including through an early warning system is needed to ensure a more stable, manageable, transparent and development- oriented international financial system. Importantly, an equitable sharing of the cost of crisis resolution between public and private sectors should be part of the crisis prevention and resolution scheme. Furthermore, the participation and equitable representation of developing countries is required in the efforts devoted to the comprehensive reform of the international financial system and its institutions. In this regard, we welcome coordination between the Group of Fifteen and the Group of Twenty-Four.

10. We recognize that durable solutions to the external debt burden of developing countries will contribute substantially to economic growth and development and to the strengthening of the global economy. In this context, we welcome all the initiatives for the Heavily Indebted Poor Countries launched by the Group of Seven, the World Bank and the IMF. However, the HIPC initiative and the enhancement thereof, with their various conditions, are not sufficient to contribute effectively to national efforts at eradicating poverty or to improving the international environment for development financing, and do not inject fresh funds for economic and social development in the countries concerned. In stressing the need to improve and broaden the HIPC initiative, we call for substantive measures that include debt and debt-service reduction, and the write-off of unpayable debts of such countries, as appropriate. We express serious concern about the debt problems of middle-income heavily indebted countries and non-HIPC low income countries, and urge that consideration be given to alleviating their debt burdens.

11. External capital flows for development remain a critical means for our countries to generate sustained economic growth and sustainable development. In this context, the decline in the level of Official Development Assistance (ODA) is a matter of serious concern and has to be reversed. Hence, we call upon industrialized countries to strengthen their efforts to meet the United Nations agreed target of 0.7 % of GDP for overall ODA, and the target of 0.15% to 0.2% for flows to the Least Developed Countries (LDCs). The role of ODA is crucial in financing basic physical infrastructure and capacity-building in some developing countries, especially LDCs. We fully support the convening of the 3rd UN conference on the Least Developed Countries in Brussels in the year 2001, and call for the effective preparation of that conference so that it will yield a meaningful outcome.

12. There is broad recognition of the benefits of Foreign Direct Investment (FDI) as a source of increased productivity, transfer of technology, innovative organizational and management practices and integration in the world economy. In recent years, FDI flows to developing countries have significantly increased but they have been limited to a few countries. An enabling international environment can help to ensure that national investment policy instruments yield better results in terms of investment flows and their developmental impact. Home-country and

host-country measures should be implemented in order to mobilize FDIs, to channel them into productive investment and to foster private sector-led development. But it should be recognised that reliance on FDIs alone will not guarantee that developing countries will resolve difficulties related to deficits in their balances of payments, the debt burden and inadequate resources for activities such as the provision of public infrastructure and human development.

13. The convening of a High-Level Intergovernmental Meeting on Financing for Development in the year 2001 is an opportunity to address national, international and systemic issues relating to development financing. This should be done in a spirit of global partnership, shared responsibilities and mutual benefits in the context of globalization and interdependence. The high level meeting should also address the mobilization of financial resources for the full implementation of relevant decisions of major international conferences and summits. The success of such an event will depend to a great extent, on the effective participation and contributions of relevant multilateral institutions, including the World Bank, the IMF, and the WTO.

14. We acknowledge the extent to which great advances in the fields of communications and technology have led to the emergence of a new global economy and information society, compelling countries and regions of the world to urgently adopt new strategies to enhance their competitiveness through improved access to global information networks. Narrowing the technological gap will speed up the integration of developing countries into the world economy, since information technology has gained tremendous importance for promoting trade. To enhance the productive base of developing countries, developed countries should provide incentives for promoting and encouraging technology transfer to developing countries on preferential terms. We affirm that support for knowledge-based development is imperative for the effective participation of developing countries in the world economy.

15. We recognize the important role that the private sector is playing in our economies and its contribution to sustained economic growth. The role of Small and Medium Size Enterprises (SMEs) must be emphasized as they contribute significantly to employment generation, poverty alleviation and development. In this context, we stress the role of the state in facilitating the creation of an enabling environment which makes it possible for the private sector, particularly the SMEs, to develop and improve their competitiveness.

16. While recognizing the contributions of transnational corporations (TNCs) to the growth of our economies, we call on them to take into account the development objectives of developing countries in their business strategies. In this context, we invite the relevant international institutions, particularly the UNCTAD, UNIDO, ILO and the WTO, to study within their respective mandates, the merger and acquisition trend and its impact on employment and the competitiveness of SMEs in developing countries.

17. We express concern regarding the growing problem of unemployment in most developing countries, a problem that has been worsened by the recent financial crisis. Unemployment affects the socio-economic fabric of societies. This is most acute in countries of the South where more than one billion people are unemployed and the associated problem of

underemployment is prevalent. At a time of dwindling government tax revenues as a result of austerity measures and the demands of stabilization policies, social safety-nets and other appropriate measures should be strengthened in order to address rising unemployment, massive poverty and income fluctuation. In this context, we recognize the importance of both FDI and domestic investment in increasing employment and generating income, including the support for small and meduim enterprises.

18. We recall the G-15 initiative to the ILO under the caption "Comprehensive Employment Strategy", which seeks to ensure the development of policies geared towards stable economic growth and social development. We reiterate the urgency for the ILO to design such a strategy so as to stimulate employment creation in all developing countries as a follow-up to the Declaration and Programme of Action of the Copenhagen Summit on Social Development. In doing so, the ILO should also analyze the social and economic impact of the financial crisis on the informal sector of the economies of the countries concerned, particularly on vulnerable sectors, and should undertake further studies on the impact of the crisis of financial markets on the various programs for poverty alleviation in developing countries.

19. Within the context of the overall action for the eradication of poverty, special attention should be given to the multidimensional nature of poverty and the national and international conditions and policies that are conducive to its eradication by, *inter alia*, investing in human resources, training and education, and fostering the social and economic integration of people living in poverty, thus empowering them to participate in decision-making with regard to the policies that affect them, the promotion and protection of all human rights and fundamental freedoms, including the right to development.

20. We call for renewed efforts at all levels to implement fully and effectively the relevant resolutions, decisions, agreements and commitments adopted at major United Nations conferences and at meetings of relevant regional financial institutions relating to the eradication of poverty. In this context, we urge specific and speedy fulfilment of the commitments of the international community in regard to improving social conditions, particularly, in the areas of health, education, training and employment. The goal of reducing by 50% the proportion of the world's population living in extreme poverty by the year 2015 should be met.

21. Cooperation and coordination among developing countries foster solidarity and mutual support. Such cooperation among G-15 and other developing countries contributes to collective self-reliance and to concerted and effective action in global and regional fora. We are determined to strengthen preferential arrangements such as the Global System of Trade Preferences among Developing Countries (GSTP), as appropriate, including negotiating its Third Round. We stress the importance of regional trade agreements for developing countries in order to achieve higher levels of development and to enhance South-South cooperation. G-15 projects and other cooperative endeavours need to be further promoted in order to strengthen interdependence among developing countries.

22. We welcome the proclamation of the year 2000 as the year of Small and Medium Size Enterprises. We stress the need for a concrete and clear strategy to promote SMEs in our countries, in cooperation with the relevant international organizations. We invite the private

sector as well as all relevant national agencies to make inputs in this regard. We commend the assistance given by UNCTAD to facilitate the conclusion of many bilateral agreements on investment promotion and guarantees and on the avoidance of double taxation among G-15 member countries. We welcome also the strengthening of technical, scientific and technological cooperation among G-15 countries and the increasing application and use of information technology networks among member countries.

23. Reference was made to the G-77 Havana Declaration and Programme of Action as well as to a decision of the South Summit to transform the South Centre into a Coordinating Commission.

24. We encourage continued and constructive dialogue and interaction with the industrialized countries, particularly the G8, with a view to establishing genuine partnership. We welcome the start since 1999 of dialogue between our Personal Representatives and the G8 Sherpa, covering a wide range of issues of mutual interest to the two groups. We look forward to pursuing the dialogue at a ministerial level. The outcome of the South Summit held in Havana, Cuba from 10 to 14 April 2000 constitutes an important contribution to the enhancement of North-South relations to support the development objectives of developing countries.

25. We discussed the threat posed by terrorism to peace and stability at national, regional and international levels. Terrorist acts undermine political and territorial integrity of countries, destroy social fabric and disrupt democratic institutions. They also undermine economic growth and development. We therefore strongly condemn all kinds of terrorism, their perpetrators and all those who support them under whatever guise. We call for strengthening international cooperation in order to combat terrorism. The Member States welcome the adoption of the International Convention on the Suppression of the Financing of Terrorism by the United Nations General Assembly in December 1999 and urge all States to sign and ratify this Convention at the earliest to ensure its early entry into force. We call for urgent conclusion and the effective implementation of a Comprehensive Convention on International Terrorism. We support Egypt's initiative for convening an International Conference to Address Terrorism and Cross-Border Organized Crime as called for by the United Nations General Assembly Resolution A/54/615.

26. We reiterate our adherence to the commitment of making all necessary efforts to tackle the international drugs problem in a comprehensive way, in recognition of the principle of shared responsibility in the efforts to overcome the said scourge. We recommend to those States which have not done so yet, to adopt for the year 2003, legislations and national programmes regarding money laundering, in accordance with the objectives established in the Political Declaration of the XX Special Session of the United Nations General Assembly on the international drugs problem in 1998, and to adopt programmes in accordance with relevant provisions of the United Nations Convention against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988.

27. We recognize the negative impact of illicit trafficking of small and light arms on conflict proliferation. In this context, we support fully the convening of the United Nations Conference on the Illicit Trafficking of Small Arms and Light Weapons in the year 2001.

28. We reiterate our support for the initiative of the Group of 77 on the resolution entitled "Prevention of corrupt practices and illegal transfer of funds", adopted by the United Nations General Assembly at its 54th session. We support the call in that resolution for increased cooperation at various levels, including the United Nations system, to devise ways and means of preventing and addressing the illegal transfer of funds and repatriation of illegally transferred funds to their countries of origin. To this end, we reiterate the call of the South Summit for the United Nations to commence preparatory work for the elaboration of a Convention on this matter.

29. Our deliberations and discussions in the Tenth Summit have led to the following conclusions and recommendations:

At the international level:

(a) Globalization should ensure: development with less poverty and deprivation, raising of standards of living with less disparity among nations; integration of all developing countries into the international economy on a fair and equitable basis; economic growth with less environmental destruction; democratization of international relations and respect for and promotion of all human rights, including the right to development;

(b) We reaffirm the central role that the United Nations and its Agencies play as we strive for closer cooperation and solidarity among developing countries so as to realize higher standards of living for our peoples; A revitalized United Nations should provide a forum for promoting global development with equity and a human face; in this context there should be full implementation of the Declaration and Programme of Action of the Copenhagen World Summit for Social Development with special emphasis on the needs of developing countries in regard to employment, education, vocational and technical training, and mobilization of resources for social development as a whole. New sources of financing should be mobilized for poverty eradication;

(c) The IMF should act effectively and in the interest of all countries, including in crisis situations; and in particular we call for equitable representation and participation of developing countries in international decision making and standard setting processes in the multilateral institutions, including the reform of the international financial system;

(d) The World Trade Organization (WTO) must ensure fair international trade and take full account of the interests of developing countries particularly through the implementation of Special and Differential treatment provisions; developing countries should be assisted in strengthening their capacities to make full use of the WTO dispute settlement mechanism such as through the Advisory Center on WTO law. Non-trade issues such as

labour standards, proposed by some developed countries, shall not be introduced in, or linked to the WTO Agenda;

(e) Donor countries should accelerate their efforts in providing debt relief and should attain the objective for Official Development Assistance (ODA) of 0.7 % of their GDP;

(f) Adoption of urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries not authorized by relevant organs of the United Nations or inconsistent with the principles of international law as set forth in the Charter of the United nations;

(g) We reiterate the call of the South Summit for the United Nations to commence preparatory work for the elaboration of a Convention on prevention of corruption and illegal transfer of funds;

(h) We recognize and support the call by several developing countries for the urgent need to re-examine and deepen current debt relief strategies to encompass effective debt relief and write-off of their debt, so as to ensure sustained economic growth and sustainable development;

At the regional level:

(a) Intra-regional cooperation amongst developing countries should be intensified and, in this context, G-15 financial institutions should seek to strengthen regional and subregional cooperation in order to promote intra g-15 trade and investment;

(b) Intra G-15 trade should be promoted and should include, as appropriate, the operationalization of preferential treatment, including GSTP, to facilitate trade among G-15 countries with the support of UNCTAD and the International Trade Centre (ITC);

(c) G-15 and other developing countries should strengthen the institutional framework of their cooperation in order to ensure effective coordination of their positions and strategies in international fora;

(d) Regional and intra-regional cooperation and coordination should take place among developing countries through their groups, such as the G-77, G-24 and G-15 with a view to strengthening their dialogue with the G8 and other industrialized countries in order to ensure the consistency and universality of economic policy measures and the design and implementation of an improved international financial architecture.

30. We strongly support the efforts which are exerted towards concluding a just and comprehensive peace in the Middle East so that all the States of the region could devote their human and material resources to social and economic development.

31. We agreed to accept the formal request of the Islamic Republic of Iran to become a member of the Group of Fifteen and to invite the Islamic Republic of Iran to the XI Summit in Indonesia. Concerning the former request of Colombia for membership to the Group, we agree to accept Colombia as a member, should it decide to renew its request to become a member of the Group, and in that case Colombia would also be invited to the XI th Summit. We directed our Personal Representatives to examine issues related to G-15 membership, including expansion, as well as the methods of work, and ways to enhance the efficiency and effectiveness of the Group, and submit recommendations to that effect to the Ministers of Foreign Affairs.

32. We welcome with appreciation the generous offers of the Government of Indonesia to host the Eleventh Summit of the Group of Fifteen in 2001 and of the Government of Venezuela to host the Twelfth Summit in 2002.

33. We express our thanks and appreciation to the people, the Head of State, and Government of Egypt for their generous hospitality and the excellent arrangements made for hosting the Tenth Summit meeting of the Group of Fifteen.

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